

MINUTES

MONTANA SENATE 60th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN JIM ELLIOTT**, on March 22, 2007 at 8:00 A.M., in Room 405 Capitol.

ROLL CALL

Members Present:

Sen. Jim Elliott, Chairman (D)
Sen. Jerry W. Black (R)
Sen. Jeff Essmann (R)
Sen. Kelly Gebhardt (R)
Sen. Kim Gillan (D)
Sen. Dan Harrington (D)
Sen. Christine Kaufmann (D)
Sen. Sam Kitzenberg (D)
Sen. Jim Peterson (R)
Sen. Bob Story Jr. (R)

Members Excused: Sen. Trudi Schmidt (D)

Members Absent: None.

Staff Present: Lee Heiman, Legislative Branch
Lois O'Connor, Committee Secretary

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: SB 551, 3/15/2007; SB 554,
3/15/2007; SB 555, 3/15/2007
Executive Action: SB 105, SB 553, SB 549, SB 550, SB
552

00:00:01

HEARING ON SB 551

Opening Statement by Sponsor:

00:01:32 **SEN. KEITH BALES (R), SD 20**, opened the hearing on **SB 551**, Tax holiday for coal severance tax on coal used CO2 sequestration facilities.

[EXHIBIT\(tas61a01\)](#)

[EXHIBIT\(tas61a02\)](#)

Proponents' Testimony:

00:14:30 Candace Payne, Southeast Montana Energy (SME)

00:16:23 Bud Clinch, Executive Director, Montana Coal Council

Opponents' Testimony:

00:17:47 Evan Barrett, Office of Economic Development, Office of the Honorable Governor Brian Schweitzer (Governor's Office)

00:25:23 Vernon Bertelson, President, Montanans for the Coal Trust

00:28:05 Jeff Barber, Montana Environmental Information Center (MEIC)

00:29:47 Rick Moore, Northern Plains Resource Council

Informational Testimony: None.

Questions from Committee Members and Responses:

00:31:50 Sen. Robert Story to Mr. Bertelson, Montanans for the Coal Trust

00:32:51 Sen. Story to Sen. Bales

00:34:22 Sen. Jeff Essmann to Mr. Barrett, Governor's Office

00:41:25 Sen. Jim Elliott to Mr. Barrett, Governor's Office

Closing by Sponsor:

00:43:30 Sen. Bales

00:50:19 Break

00:56:06 Reconvene

HEARING ON SB 554

Opening Statement by Sponsor:

00:56:35 **SEN. JEFF ESSMANN (R), SD 28**, opened the hearing on **SB 554**, Sales tax with property tax reform, school funding, and income tax credits.

EXHIBIT(tas61a03)

Proponents' Testimony:

01:36:11 John Brewer, President, Billings Area Chamber of Commerce

Opponents' Testimony:

01:37:33 Don Schillinger, Superintendent, Baker Public Schools

01:40:46 Dave Puyear, Executive Director, Montana Rural Education Association (MREA)

01:46:46 Glen Munson, Saco Schools

01:49:32 Jule Walker, Superintendent, Plevna Schools

01:51:08 Martha Young, Superintendent, Belfry Schools

01:57:41 Brad Morris, Superintendent, Richey Public Schools

01:59:02 Willie Duffield, Montana Association of Oil, Gas, and Coal Counties

02:00:36 Darin Cummings, Superintendent, Whitewater Schools

02:02:57 Linda Brannon, Indian Impact Schools of Montana (IISM)

02:05:02 Mike Hammond, Chairman, Whitewater School Board

02:07:21 Richard Dunbar, Phillips County Commissioner

02:08:27 Mary Whittinghill, Executive Director, Montana Taxpayers Association (MonTax)

02:10:25 Renee Rasmussen, Superintendent, Wibaux Public
Schools

02:13:23 Troy Blunt, Phillips County Commissioner

02:13:46 Gary Amestoy, Richland County Economic Development
Corporation

02:14:52 Rep. Wayne Stahl, HD 35

02:16:10 Harold Blattie, Executive Director, Montana Association
of Counties (MACo)

Informational Testimony:

02:20:47 Madalyn Quinlan, Chief of Staff, Office of Public
Instruction (OPI)

02:22:10 Dan Dodds, Montana Department of Revenue (DOR)

Questions from Committee Members and Responses:

02:22:30 Sen. Sam Kitzenberg to Sen. Essmann

02:26:30 Sen. Story to Sen. Essmann

02:28:13 Sen. Kim Gillan to Sen. Essmann

02:32:43 Sen. Story to Mr. Puyear, MREA

02:39:02 Sen. Jim Peterson to Sen. Essmann

02:43:29 Sen. Elliott

Closing by Sponsor:

02:46:05 Sen. Essmann

HEARING ON SB 555

Opening Statement by Sponsor:

02:50:38 **SEN. JEFF ESSMANN (R), SD 28**, opened the hearing on **SB 555**, Refundable income tax credit for statewide school mills.

Proponents' Testimony: None.

Opponents' Testimony: None.

Informational Testimony: None.

Questions from Committee Members and Responses:

02:54:06 Sen. Peterson to Sen. Essmann

02:54:55 Sen. Story to Sen. Essmann

Closing by Sponsor:

02:55:16 Sen. Essmann

02:55:54 Break

03:10:22 Reconvene

EXECUTIVE ACTION ON SB 105

03:11:57 **Motion:** SEN. STORY moved that SB 105 DO PASS.

Discussion:

03:12:09 Sen. Story

03:12:48 Sen. Peterson

03:13:45 **Substitute Motion/Vote:** SEN. GEBHARDT made a substitute motion that SB 105 BE TABLED. Substitute motion carried 9-1 by voice vote with SEN. HARRINGTON voting no. SEN. GILLAN and SEN. SCHMIDT were excused.

EXECUTIVE ACTION ON SB 553

03:15:20 **Motion:** SEN. BLACK moved that SB 553 DO PASS.

Discussion:

03:15:31 **Motion:** SEN. KAUFMANN moved to amend SB 553 with a CONCEPTUAL AMENDMENT.

Discussion:

03:17:29 Sen. Elliott

03:17:37 Sen. Gebhardt

03:18:17 Sen. Story to Sen. Black

03:20:01 Sen. Essmann

03:22:02 Sen. Peterson

03:22:40 **Vote: Motion that the CONCEPTUAL AMENDMENT be approved carried unanimously by voice vote.**

03:22:57 **Motion/Vote: SEN. GEBHARDT moved to further amend SB 553 with amendment #SB055301.ALH. Motion passed unanimously by voice vote.**

EXHIBIT(tas61a04)

Discussion:

03:24:37 Sen. Story to Lee Heiman, Staff Attorney, Legislative Services Division (LSD)

03:25:11 **Motion/Vote: SEN. PETERSON moved that SB 553 DO PASS AS AMENDED. Motion carried unanimously by voice vote. SEN. GILLAN and SEN. SCHMIDT were excused.**

EXECUTIVE ACTION ON SB 549

03:25:40 **Motion: SEN. STORY moved that SB 549 DO PASS.**

Discussion:

03:26:25 Sen. Gebhardt to Sen. Story

03:27:49 Sen. Elliott to Sen. Story

03:29:53 **Vote: Motion that SB 549 DO PASS carried unanimously by voice vote. SEN. GILLAN and SEN. SCHMIDT were excused.**

EXECUTIVE ACTION ON SB 550

03:30:37 **Motion: SEN. GEBHARDT moved that SB 550 DO PASS.**

Discussion:

03:31:20 Sen. Black to Mr. Heiman, LSD

03:32:46 **Motion:** SEN. ESSMANN moved to amend SB 550 with amendment #SB055002.ALH.

EXHIBIT(tas61a05)

Discussion:

03:33:05 Sen. Story

03:33:30 Sen. Gebhardt

03:34:06 Sen. Elliott

03:35:01 Sen. Essmann

03:35:23 Sen. Elliott to Sen. Gebhardt

03:36:10 Sen. Peterson to Mr. Blattie, MACo

03:41:23 Sen. Black

03:41:51 Sen. Gebhardt

03:42:54 Sen. Black to Mr. Blattie, MACo

03:44:16 Sen. Gebhardt

03:44:37 Sen. Story

03:46:46 Sen. Dan Harrington

03:47:12 Sen. Story

03:47:53 **SEN. ESSMANN withdrew the motion to approve amendment #SB055002.ALH.**

03:48:01 **SEN. GEBHARDT withdrew the DO PASS motion on SB 550. No further action was taken.**

General Discussion:

03:48:38 Sen. Elliott

03:49:09 Sen. Gebhardt

03:51:16 Sen. Harrington

03:51:53 Sen. Gebhardt

03:52:08 Sen. Kaufmann to Sen. Elliott

EXECUTIVE ACTION ON SB 552

03:54:50 **Motion:** SEN. HARRINGTON moved that SB 552 DO PASS.

03:55:06 **Motion:** SEN. GEBHARDT moved to amend SB 552 with amendment #SB055201.ALH.

EXHIBIT(tas61a06)

Discussion:

03:55:53 Sen. Elliott

03:56:47 Sen. Gebhardt

03:56:59 **Vote:** Motion that #SB055201.ALH be approved carried unanimously by voice vote. SEN. GILLAN and SEN. SCHMIDT were excused.

03:57:14 **Motion:** SEN. HARRINGTON moved that SB 552 DO PASS AS AMENDED.

Discussion:

03:57:59 Sen. Story to Sen. Gebhardt

03:59:41 Sen. Elliott

03:59:49 Sen. Story

04:00:30 **Vote:** Motion that SB 552 DO PASS AS AMENDED carried unanimously by voice vote. SEN. GILLAN and SEN. SCHMIDT were excused.

General Discussion:

04:02:21 Sen. Elliott

04:02:38 Sen. Essmann to Sen. Elliott

04:02:58 Sen. Gebhardt

04:04:27 Sen. Elliott

04:05:01 Sen. Harrington

ADJOURNMENT

Adjournment: 12:05 P.M.

SEN. JIM ELLIOTT, Chairman

LOIS O'CONNOR, Secretary

JE/lo

Additional Exhibits:

EXHIBIT ([tas61aad.pdf](#))